

## **COORDINATION OF SDI AND OTHER LEAVE PROGRAMS ADMINISTRATIVE GUIDELINES**

The SDI Program is a wage continuation program for employees who have been certified for a nonwork-related illness or injury. The program has two components, Disability Insurance (DI) and Paid Family Leave (PFL):

**DI** - is a wage continuation program for employees who incur a nonwork-related injury or illness, for up to 52 weeks.

**PFL** - is extended compensation provided to employees who are SDI covered. PFL is for employees who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new minor child or adopted child. PFL is limited to a six-week paid benefit within a 12-month period.

An employee cannot receive both DI and PFL simultaneously.

### **SDI Notice to Employers**

Upon receipt of a claim for DI or PFL benefits, EDD sends a notice to the employer that a claim has been filed. The employer is expected to complete and return either Form DE2503 for SDI or Form DE2503F for PFL to EDD within two business days.

### **SDI Payments**

To receive SDI payments, an employee must:

- Earn at least \$300 in wages that are subject to SDI deductions (during the 12-month base period of the SDI claim).
- File a claim for DI benefits with the EDD SDI Office.
- Provide the EDD SDI Office with a medical certificate in order to receive benefits.
- Serve a seven-calendar day waiting period (non-payable by SDI benefits), which includes holidays that fall within the waiting period.

SDI claims are filed by the employee and directly mailed to EDD. Checks are mailed directly to the employee, generally within two weeks. Voluntary deductions are not taken from SDI payments. For further information on claims and payments, EDD recommends departments and employees visit the SDI website at [www.edd.ca.gov/direp/diind.htm](http://www.edd.ca.gov/direp/diind.htm).

### **Leave of Absence**

An employee must obtain an approved leave from his or her employer. A leave is granted when the employee has a necessary absence from duty because of illness, injury, pregnancy, or a need to bond or care for a newborn or adopted child. The employee may also request a leave

due to family illness or injury. An employee who is requesting a leave and applying for SDI benefits is required to provide a physician's or licensed practitioner's medical certification.

The medical certification shall include the anticipated length of the employee's absence, any restrictions upon returning to work that prevent the employee from performing the full range of his or her normal duties, and any anticipated future absences. The effective date of the leave is the first date the employee is on an approved leave without pay.

At the time the Human Resources Office receives notification from EDD that an employee has filed a claim for SDI benefits, and the employee has not yet requested a leave of absence, the employer will notice the employee, requesting that he or she apply for a leave of absence. While the employee is off work pending the receipt of the request for a leave of absence, the employee is placed on temporary leave status pending a decision. A leave may be extended when the employee's (or family member's) injury or illness continues beyond the expiration date of receiving SDI benefits.

The employee's leave of absence may be terminated:

- On the expiration date of the leave;
- By the employer, before the expiration date of the leave with a 30-working day notice; or
- By the employee, when he or she becomes medically certified to return to full employment.

Upon termination of the leave, a permanent or probationary employee has a right to his or her former position, as defined in Government Code Section 18522.

### **Waiting Period/Leave Credits**

DI and PFL require the employee to serve a waiting period for seven calendar days. An exception is when the employee serves a waiting period due to a pregnancy-related disability under DI, and then files a PFL claim for bonding; a new waiting period is not required.

During the waiting period, the employee may use available leave credits; be placed on an unpaid leave; or use a combination of leave credits and unpaid leave. If the employee elects to use leave credits, the employee's leave of absence will begin on the day the use of leave credits ends. SDI benefits are non-payable for any period the employee receives pay for leave credits.

Payment of leave credits is considered regular pay, subject to mandatory and voluntary deductions. Any pay received from an available program such as catastrophic leave or the transfer of family leave is also considered regular pay. Voluntary deductions will continue to be deducted from regular pay unless cancelled by the employee. There must be sufficient net pay to take the deduction(s). The employee is responsible for canceling voluntary deductions and making direct pay to the carrier(s).

### **Working While Receiving SDI Benefits**

An employee may work while receiving SDI benefits. If the employee physically works for more than 11 days in the pay period, he or she qualifies the pay period. A qualifying pay period provides the employee leave credit accruals and State service credits. Time worked, combined

with the SDI benefit amount, cannot exceed the employee's total regular gross salary. If the time worked, plus the SDI pay, exceeds the total gross salary, the SDI benefit is reduced.

### **Workers' Compensation**

When an employee files a claim for a work-related injury, he or she may be eligible to receive SDI benefits while waiting for the claim to be approved. If the claim is approved, SDI benefits paid to the employee may be required to be repaid.

### **Annual Leave Program**

Employees who are enrolled in the Annual Leave Program (ALP) may not enroll in the vacation and sick leave program until 24 months have elapsed from the date of enrollment. The time an employee is off work receiving SDI benefits will count toward the 24-month ALP requirement.

### **NDI/Enhanced NDI (ENDI)**

Effective April 1, 2006, employees in SEIU-represented Bargaining Units 1, 3, 4, 11, 14, 15, 17, 20, and 21 will no longer be covered for NDI/ENDI. The last day employees will receive NDI/ENDI benefits is March 31, 2006. Effective April 1, 2006, SDI-covered employees can file claims for SDI. If eligible for SDI benefits, a seven-day waiting period is required.

### **Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA)**

Eligible employees who are approved to receive SDI benefits typically are eligible for FMLA and CFRA. The FMLA/CFRA determination is completed at the beginning of the employee's absence. In addition to a leave of absence, FMLA/CFRA provides up to 12 weeks of employer-paid health, dental, and vision insurance benefits. During this period of employer-paid benefits, the employee is responsible for the payment of his or her portion of the insurance premiums.

When an employee receives pay for the use of leave credits (prior to receiving SDI benefits), or works while receiving SDI benefits, the employer's 12-week requirement to continue health insurance under FMLA/CFRA is counted.

CFRA provides employees a 12-week leave entitlement for bonding with a newborn or adopted child. The employee's CFRA entitlement is counted when the employee receives PFL benefits.

### **Insurance Benefits**

An employee who is on a leave after FMLA is exhausted and is receiving SDI benefits may maintain his or her health, dental, and vision insurance programs by making direct payments to the carrier(s). Employees are responsible for paying the full premium, both the employer and employee portion. If the employee has a spouse or a domestic partner who is a State employee, he or she may also elect to receive insurance benefits from the spouse or domestic partner.

The employer should give the employee the appropriate forms to complete. Employees may choose to pay direct for his or her insurance benefits. The following direct pay forms must be completed in order to continue benefits:

Health Insurance – HBD 21  
Dental Insurance – STD 696  
Vision Insurance – STD 703

An insurance program that an employee does not choose will suspend until he or she returns to active work status.

### **COBRA**

An employee no longer eligible for direct pay may maintain his or her insurance benefits through COBRA.

### **FlexElect**

Reimbursement account and/or cash option (Flex or CoBen) enrollment will stop while the employee is on a leave of absence. If the employee returns to pay status in the same plan year, the enrollment will resume.

If an employee is enrolled in the medical reimbursement account and wishes to continue to submit claims for services provided during the leave of absence, the employee may elect to continue making contributions through COBRA.

### **Voluntary Deductions**

Voluntary deductions will continue from any regular pay received and/or leave credit usage, unless the employee elects to cancel the deduction(s) and provided that there is sufficient net pay to take the deduction. The employee may also pay voluntary deduction(s) directly to the carrier(s).

### **Union Dues**

Union dues/fair share fees will not be withheld while the employee is on a leave of absence. The employee may opt to pay union dues/fair share fees directly to his or her union.

### **Employment History/Payroll Processing**

Departmental Human Resources staff is responsible for documenting an SDI leave of absence and requesting pay and benefit coverage via the SCO. SCO will distribute a Payroll Letter that includes documentation instructions.